

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Forest Department – Disposal of Red Sanders Wood available in the Department through Global Tenders – Allotment of Red Sanders Wood in VAP to M/s Zitan Trading Corporation, Hyderabad – Orders issued.

ENVIRONMENT, FORESTS, SCIENCE & TECHNOLOGY (FOR.III) DEPARTMENT

**G.O.Rt.No. 81**

**Dated:07.03.2011**

**Read the following:-**

1. G.O.Ms.No.544, EFS&T (For.III) Dept., dt.17-11-2007.
2. Govt. Memo No.9719/For.III/2009 dt.19-08-2009.
3. From the Prl.CCF,AP, Hyderabad, Letter No.35039/2008/V2, Dt.9.09.2009.
4. G.O Rt.No.480, EFS&T (For.III) Dept., dated:1.10.2009.
5. Joint representation from the M/s Zitan Trading Corporation, Hyderabad, M/s Andhra Fogaku Pvt. Ltd., Hyderabad, Dt.08.12.2010.
6. Joint representation from the M/s Zitan Trading Corporation, Hyderabad, M/s Andhra Fogaku Pvt. Ltd., Hyderabad, Dt.04.01.2011.

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**ORDER:-**

In the reference 1<sup>st</sup> read above, Government have issued orders permitting the Principal Chief Conservator of Forests, to call Global Tenders for disposal of 2022 M.Tons of Graded and Non graded Red Sanders wood both in round log form and value added form which is mandatory, with a specific clause in the tender conditions that export of red sanders in round log form shall be permitted subject to the Government of India clearance. The Principal Chief Conservator of Forests, issued Global Tenders Notification on 26-11-2007 to dispose 2022.5876 MTs of graded and Non-graded Red Sanders wood, after giving wide publicity through leading news papers and department's website inviting competitive bids and submitted a report to the Government with details of highest bidders etc., After examining the report of the Prl.CCF, conditional allotment orders were issued on dt.12-2-2009 to individual highest bidders for the export of Red Sanders wood in log form, subject to Government of India clearance. Accordingly, Government of India, MoEF were addressed, on 12.02.2009 and 22.05.2009 for allowing the export of Red sanders wood in Round Log form. However, the request of the State Government was not agreed to by Government of India.

2. In the reference 2<sup>nd</sup> read above, Government, have issued instructions to Prl.CCF, to finalise the tender process to the highest bidders as per VAP rates, after obtaining confirmation letters from them about their interest in buying the R.S. wood and converting them into VAP in Andhra Pradesh, India etc.,

3. In the reference 3<sup>rd</sup> read above, the Prl.CCF, Hyderabad completed the above process and submitted a report to the Govt. The matter has been examined and decided that the rates quoted by the highest bidders for buying red sanders in the form of value added products after negotiations seems to be very less and ordered to call for fresh tenders for disposal of the available graded and non graded R.S.Wood in VAP form. Accordingly, in the reference 4<sup>th</sup> read above, Government issued orders cancelling the earlier orders issued in G.O.Rt.Nos. 77 to 82 EFS&T (For.III) dt.12-2-2009, making allotments of R.S Wood to highest bidders in round log form.

(p.t.o)

4. Aggrieved upon the above cancellation orders of Government dt.1.10.2009, the successful tenderers have filed W.Ps, i.e.,W.P.No.21351/2009 by M/s Zitan Trading Corporation, Hyderabad, and W.P.No.21416/2009 by M/s Andhra Fogaku Pvt. Ltd., Hyderabad, on 19.10.2009 in the Hon'ble High Court challenging the cancellation orders of the tenders by Govt. abruptly without any notice to them. The Hon'ble High Court granted interim stay on all further proceedings and directed the respondents i.e., Prl.CCF & Spl.CS, EFS&T Dept., for production of relevant records. Counter Affidavits were also filed in the above W.Ps by the Prl.CCF / Spl.CS, EFS&T Dept., and the cases are pending in the Hon'ble High Court of AP for disposal.

5. In the reference 5<sup>th</sup> read above, M/s Zitan Trading Corporation and M/s Andhra Fogaku Pvt. Ltd., have jointly represented to the Government stating that they may be invited for negotiations to resolve the long pending issue amicably at the earliest and if the issue is resolved, they would like to withdraw the court cases.

6. Government, after elaborate discussions of the matter with the two parties decided to fix a rate of Rs.2.20 Lakhs per MT for non-grade RS Wood and also decided to fix a rate of Rs.2.574 Lakhs per MT for 'C' grade RS Wood. In respect of A & B grades RS Wood, since the rates quoted by the Companies are very less, it is decided to delete the same from the tender process.

7. In the reference 6<sup>th</sup> read above, M/s Zitan Trading Corporation and M/s Andhra Fogaku Pvt. Ltd., have again given an undertaking agreeing for the rates i.e., Rs.2.20 Lakhs per MT for non-grade RS Wood and Rs.2.574 Lakhs per MT for 'C' grade RS Wood, as arrived in the meeting and for deletion of A & B grade RS Wood from tender process and they will withdraw the Writ Petitions by filing compromising petitions in the High Court in terms of the negotiations.

8. Government after careful examination of the matter hereby order to allot the C-Grade and Non grade RS Wood to M/s. Zitan Trading Corporation, Hyderabad, on the rates detailed below, subject to withdrawing the Writ Petitions by the tenders by filing a compromising petition in the Hon'ble High Court in terms of the negotiations.

Sl. No.	Grade	No. of lots	Quantity in MTs	Name of the firm	Rate fixed (Rs in lakhs per MT)
1.	C Grade	8	131.456	M/s. Zitan Trading Corporation, Hyderabad.	2.574
2.	C Grade	1	8.146	- do -	2.574
3.	C Grade	4	51.327	- do -	2.574
4.	C Grade	6	57.729	- do -	2.574
5.	C Grade	2	17.191	- do -	2.574
6.	C Grade	6	50.118	- do -	2.574
7.	C Grade	4	172.699	- do -	2.574
8.	C Grade	6	59.508	- do -	2.574
9.	C Grade	2	15.449	- do -	2.574
10.	C Grade	3	18.341	- do -	2.574
	<b>Sub-total</b>	<b>42</b>	<b>581.964</b>		

11	Non Grade	4	73.474	- do -	2.20
12.	Non Grade	3	29.617	- do -	2.20
13.	Non Grade	4	32.471	- do -	2.20
14.	Non Grade	14	166.587	- do -	2.20
15.	Non Grade	2	19.977	- do -	2.20
16.	Non Grade	3	49.571	- do -	2.20
	<b>Sub Total</b>	<b>30</b>	<b>371.697</b>		
	<b>Grand Total</b>	<b>72</b>	<b>953.661</b>		

9. Government also order that the material would be lifted in (3 ) equal installments of payment as detailed below:-

- a) First installment should be made within (1) month from the date of amendment of EXIM policy by the Government of India with regards to allowing the export of furniture/ furniture sizes etc., ( value added items)
- b) Second installment should be made within (5) months from the date of amendment of EXIM policy.
- c) Third and final installment should be made within (9) months from the date of amendment of EXIM policy.
- d) No further extension of time to lift the RS Wood will be allowed and the parties should not approach the Government for further extension of time.

10. It is further ordered that the Conversion of RS Wood logs into value added product (VAP) shall be done in A.P. State only. No permit shall be issued for out side the State for logs and after conversion they may approach the Government of India through APFDC Ltd., for licence.

11. The Principal Chief Conservator of Forests, Andhra Pradesh, Hyderabad is requested to take further necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

JANAKI R.KONDAPI  
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To  
The Principal Chief Conservator of Forests,  
Andhra Pradesh, Hyderabad.

Copy to:  
M/s Zitan Trading Corporation, Hyderabad.  
SC/SF.

//FORWARDED :: BY ORDER//

SECTION OFFICER